

State: Pennsylvania **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-4 Re-Rate/7G-2018

Filing at a Glance

Company:	The Prudential Insurance Company of America
Product Name:	Group Long Term Care Insurance
State:	Pennsylvania
TOI:	LTC03G Group Long Term Care
Sub-TOI:	LTC03G.001 Qualified
Filing Type:	Rate - G.I. (Guaranteed Issue)
Date Submitted:	01/17/2019
SERFF Tr Num:	PRUD-131789913
SERFF Status:	Assigned
State Tr Num:	PRUD-131789913
State Status:	Received Review in Progress
Co Tr Num:	IIGHGLTC4RATE-RP-PA
Implementation	On Approval
Date Requested:	
Author(s):	Laura Hughes, Raenonna Prince, Hina Ahmad, Ritu Jain, Karen Keller
Reviewer(s):	Jim Laverty (primary)
Disposition Date:	
Disposition Status:	
Implementation Date:	

State Filing Description:

Proposed 10% increase on 2,548 PA policyholders of Prudential Group LTC form 83500 COV 5027 (called the GLTC4 Series).

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General Information

Project Name: GLTC-4 Re-Rate Status of Filing in Domicile: Pending
Project Number: 7G-2018 Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments: Filed Concurrently.
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Small and Large
Group Market Type: Employer, Association Overall Rate Impact: 19%
Filing Status Changed: 01/18/2019
State Status Changed: 01/18/2019 Deemer Date:
Created By: Raenonna Prince Submitted By: Raenonna Prince
Corresponding Filing Tracking Number:
State TOI: LTC03G Group Long Term Care State Sub-TOI: LTC03G.001 Qualified

Filing Description:

Please refer to the filing cover letter attached to the Supporting Documentation Tab of this filing.

Company and Contact

Filing Contact Information

Keith Burns, Vice President and Actuary keith.burns@prudential.com
Long Term Care Unit 402-715-4861 [Phone]
100 Mulberry Street
Gateway Center 2, 11th Floor
Newark, NJ 07102

Filing Company Information

The Prudential Insurance CoCode: 68241 State of Domicile: New Jersey
Company of America Group Code: 304 Company Type: Life
751 Broad Street Group Name: State ID Number:
Newark, NJ 07102-3777 FEIN Number: 22-1211670
(973) 802-6000 ext. [Phone]

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State:	Pennsylvania	Filing Company:	The Prudential Insurance Company of America
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Product Name:	Group Long Term Care Insurance		
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Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	N/A
SERFF Tracking Number of Last Filing:	N/A

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
The Prudential Insurance Company of America	10.000%	10.000%	\$443,514	2,548	\$4,435,145	10.000%	10.000%

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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Appendix D - Rate Pages	83500 BFW 5027, et al	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 10	Appendix D - Rate Pages (PA GLTC4).pdf,

Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors
83500 COV 5027

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Pennsylvania Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 50% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period Lifetime Pay					
Issue Age	No Inflation	Guaranteed Purchase Option	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (no Maximum)
18-30	\$ 8.95	\$ 9.48	\$ 19.99	\$ 15.31	\$ 48.44
31	\$ 9.38	\$ 9.94	\$ 21.16	\$ 16.24	\$ 50.53
32	\$ 9.83	\$ 10.43	\$ 22.42	\$ 17.22	\$ 52.71
33	\$ 10.31	\$ 10.95	\$ 23.75	\$ 18.26	\$ 54.98
34	\$ 10.80	\$ 11.48	\$ 25.16	\$ 19.36	\$ 57.34
35	\$ 11.32	\$ 12.05	\$ 26.64	\$ 20.53	\$ 59.81
36	\$ 11.86	\$ 12.64	\$ 28.22	\$ 21.77	\$ 62.38
37	\$ 12.42	\$ 13.26	\$ 29.89	\$ 23.09	\$ 65.07
38	\$ 13.01	\$ 13.90	\$ 31.66	\$ 24.49	\$ 67.87
39	\$ 13.63	\$ 14.59	\$ 33.53	\$ 25.97	\$ 70.80
40	\$ 14.26	\$ 15.32	\$ 35.51	\$ 27.53	\$ 73.84
41	\$ 15.21	\$ 16.28	\$ 37.82	\$ 29.61	\$ 77.65
42	\$ 16.24	\$ 17.30	\$ 40.28	\$ 31.85	\$ 81.65
43	\$ 17.33	\$ 18.38	\$ 42.90	\$ 34.24	\$ 85.87
44	\$ 18.48	\$ 19.54	\$ 45.69	\$ 36.83	\$ 90.30
45	\$ 19.71	\$ 20.76	\$ 48.66	\$ 39.60	\$ 94.96
46	\$ 21.03	\$ 22.06	\$ 51.83	\$ 42.58	\$ 99.87
47	\$ 22.44	\$ 23.43	\$ 55.20	\$ 45.79	\$ 105.03
48	\$ 23.95	\$ 24.89	\$ 58.78	\$ 49.25	\$ 110.45
49	\$ 25.55	\$ 26.46	\$ 62.61	\$ 52.95	\$ 116.15
50	\$ 27.26	\$ 28.12	\$ 66.67	\$ 56.93	\$ 122.14
51	\$ 29.29	\$ 30.24	\$ 70.71	\$ 60.94	\$ 126.78
52	\$ 31.47	\$ 32.52	\$ 74.99	\$ 65.24	\$ 131.58
53	\$ 33.81	\$ 34.97	\$ 79.53	\$ 69.85	\$ 136.58
54	\$ 36.33	\$ 37.61	\$ 84.35	\$ 74.78	\$ 141.76
55	\$ 39.04	\$ 40.45	\$ 89.45	\$ 80.06	\$ 147.14
56	\$ 41.95	\$ 43.49	\$ 94.86	\$ 85.71	\$ 152.72
57	\$ 45.08	\$ 46.77	\$ 100.61	\$ 91.76	\$ 158.52
58	\$ 48.43	\$ 50.30	\$ 106.70	\$ 98.24	\$ 164.54
59	\$ 52.04	\$ 54.10	\$ 113.16	\$ 105.17	\$ 170.79
60	\$ 55.94	\$ 58.17	\$ 120.01	\$ 112.57	\$ 177.27
61	\$ 61.08	\$ 63.77	\$ 129.26	\$ 122.11	\$ 187.97
62	\$ 66.70	\$ 69.91	\$ 139.23	\$ 132.45	\$ 199.32
63	\$ 72.84	\$ 76.64	\$ 149.96	\$ 143.67	\$ 211.35
64	\$ 79.54	\$ 84.02	\$ 161.52	\$ 155.84	\$ 224.11
65	\$ 86.85	\$ 92.13	\$ 173.97	\$ 169.04	\$ 237.63
66	\$ 93.97	\$ 99.96	\$ 187.94	\$ 184.29	\$ 253.55
67	\$ 101.68	\$ 108.45	\$ 203.03	\$ 200.93	\$ 270.53
68	\$ 110.03	\$ 117.67	\$ 219.33	\$ 219.05	\$ 288.66
69	\$ 119.06	\$ 127.67	\$ 236.94	\$ 238.82	\$ 308.00
70	\$ 128.83	\$ 138.52	\$ 255.97	\$ 260.38	\$ 328.65
71	\$ 141.36	\$ 152.21	\$ 276.29	\$ 282.78	\$ 350.52
72	\$ 155.11	\$ 167.24	\$ 298.21	\$ 307.10	\$ 373.85
73	\$ 170.20	\$ 183.77	\$ 321.88	\$ 333.51	\$ 398.73
74	\$ 186.76	\$ 201.92	\$ 347.42	\$ 362.20	\$ 425.26
75	\$ 204.94	\$ 221.87	\$ 375.00	\$ 393.35	\$ 453.56
76	\$ 228.87	\$ 247.69	\$ 407.87	\$ 429.44	\$ 486.99
77	\$ 255.59	\$ 276.51	\$ 443.62	\$ 468.84	\$ 522.89
78	\$ 285.42	\$ 308.68	\$ 482.50	\$ 511.86	\$ 561.43
79	\$ 318.74	\$ 344.60	\$ 524.80	\$ 558.83	\$ 602.81
80	\$ 355.95	\$ 384.70	\$ 570.79	\$ 610.13	\$ 647.25
81	\$ 397.19	\$ 430.91	\$ 629.70	\$ 669.35	\$ 703.70
82	\$ 443.20	\$ 482.68	\$ 694.67	\$ 734.33	\$ 765.07
83	\$ 494.55	\$ 540.66	\$ 766.36	\$ 805.62	\$ 831.80
84	\$ 551.84	\$ 605.61	\$ 845.44	\$ 883.83	\$ 904.34

Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors
83500 COV 5027

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Pennsylvania Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 75% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period Lifetime Pay					
Issue Age	No Inflation	Guaranteed Purchase Option	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (no Maximum)
18-30	\$ 9.88	\$ 10.55	\$ 22.22	\$ 16.95	\$ 53.68
31	10.36	11.07	23.54	17.99	55.97
32	10.87	11.62	24.94	19.07	58.36
33	11.40	12.19	26.41	20.23	60.84
34	11.95	12.79	27.97	21.46	63.44
35	12.53	13.42	29.63	22.77	66.14
36	13.13	14.08	31.38	24.16	68.96
37	13.77	14.77	33.24	25.62	71.90
38	14.44	15.50	35.21	27.17	74.97
39	15.15	16.26	37.29	28.82	78.17
40	15.88	17.06	39.49	30.57	81.51
41	16.95	18.14	42.03	32.86	85.66
42	18.10	19.28	44.74	35.31	90.01
43	19.32	20.50	47.62	37.95	94.59
44	20.61	21.80	50.69	40.79	99.40
45	22.00	23.18	53.96	43.84	104.45
46	23.47	24.64	57.43	47.11	109.75
47	25.05	26.19	61.13	50.63	115.32
48	26.73	27.84	65.07	54.42	121.19
49	28.52	29.60	69.26	58.48	127.35
50	30.45	31.45	73.70	62.82	133.80
51	32.68	33.78	78.05	67.14	138.69
52	35.08	36.28	82.65	71.76	143.75
53	37.65	38.96	87.53	76.70	149.00
54	40.41	41.84	92.69	81.98	154.44
55	43.37	44.95	98.15	87.63	160.08
56	46.55	48.28	103.94	93.65	165.92
57	49.96	51.85	110.07	100.10	171.99
58	53.63	55.69	116.56	106.99	178.27
59	57.55	59.82	123.43	114.35	184.78
60	61.73	64.25	130.74	122.18	191.52
61	67.22	70.22	140.54	132.23	202.68
62	73.19	76.75	151.06	143.12	214.48
63	79.70	83.89	162.38	154.90	226.96
64	86.78	91.69	174.55	167.65	240.17
65	94.49	100.21	187.63	181.47	254.17
66	102.05	108.55	202.28	197.41	270.67
67	110.21	117.58	218.08	214.75	288.23
68	119.02	127.36	235.11	233.62	306.94
69	128.55	137.95	253.48	254.14	326.87
70	138.83	149.40	273.28	276.49	348.10
71	152.04	163.82	294.18	299.51	370.39
72	166.52	179.64	316.68	324.45	394.11
73	182.37	196.98	340.89	351.46	419.35
74	199.73	216.00	366.96	380.72	446.22
75	218.75	236.84	395.02	412.42	474.78
76	243.56	263.63	428.38	449.06	508.51
77	271.19	293.44	464.56	488.95	544.63
78	301.96	326.61	503.80	532.39	583.32
79	336.23	363.54	546.35	579.68	624.76
80	374.39	404.65	592.49	631.17	669.14
81	416.69	452.09	652.00	690.91	725.95
82	463.78	505.09	717.49	756.31	787.58
83	516.20	564.30	789.55	827.88	854.44
84	574.53	630.45	868.85	906.24	926.97

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Base Rates and Adjustment Factors
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Pennsylvania Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 100% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period Lifetime Pay					
Issue Age	No Inflation	Guaranteed Purchase Option	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (no Maximum)
18-30	\$ 10.89	\$ 11.74	\$ 24.70	\$ 18.77	\$ 59.46
31	11.43	12.32	26.16	19.91	61.97
32	12.00	12.93	27.71	21.12	64.59
33	12.60	13.56	29.35	22.41	67.32
34	13.22	14.23	31.09	23.77	70.17
35	13.88	14.94	32.93	25.22	73.14
36	14.58	15.68	34.88	26.76	76.23
37	15.30	16.45	36.95	28.39	79.45
38	16.06	17.26	39.14	30.12	82.82
39	16.86	18.11	41.46	31.96	86.33
40	17.70	19.01	43.92	33.92	89.98
41	18.90	20.22	46.72	36.44	94.48
42	20.17	21.51	49.70	39.14	99.20
43	21.54	22.87	52.87	42.04	104.16
44	22.99	24.32	56.23	45.16	109.36
45	24.54	25.86	59.82	48.50	114.83
46	26.20	27.50	63.62	52.10	120.57
47	27.97	29.25	67.67	55.96	126.60
48	29.87	31.11	71.98	60.10	132.94
49	31.88	33.09	76.57	64.56	139.58
50	34.01	35.18	81.46	69.33	146.58
51	36.45	37.74	86.13	73.98	151.71
52	39.07	40.48	91.08	78.94	157.04
53	41.88	43.43	96.32	84.23	162.55
54	44.89	46.59	101.85	89.87	168.25
55	48.11	49.97	107.70	95.89	174.14
56	51.58	53.60	113.89	102.31	180.25
57	55.29	57.50	120.44	109.16	186.57
58	59.26	61.68	127.36	116.48	193.12
59	63.51	66.17	134.67	124.28	199.89
60	68.11	70.97	142.42	132.61	206.90
61	73.95	77.33	152.78	143.21	218.50
62	80.30	84.26	163.90	154.66	230.77
63	87.20	91.81	175.82	167.02	243.72
64	94.68	100.03	188.62	180.38	257.39
65	102.81	108.99	202.35	194.80	271.83
66	110.81	117.85	217.71	211.45	288.92
67	119.45	127.44	234.25	229.54	307.08
68	128.76	137.80	252.03	249.16	326.38
69	138.79	149.01	271.17	270.47	346.90
70	149.60	161.13	291.75	293.59	368.70
71	163.53	176.32	313.23	317.23	391.39
72	178.75	192.95	336.27	342.77	415.48
73	195.39	211.15	361.02	370.37	441.06
74	213.59	231.06	387.59	400.19	468.20
75	233.48	252.85	416.11	432.41	497.00
76	259.20	280.60	449.93	469.56	530.98
77	287.77	311.40	486.51	509.91	567.28
78	319.48	345.59	526.05	553.72	606.07
79	354.70	383.53	568.81	601.29	647.50
80	393.79	425.62	615.03	652.95	691.78
81	437.17	474.29	675.10	713.16	748.90
82	485.34	528.52	741.05	778.92	810.74
83	538.81	588.95	813.43	850.75	877.70
84	598.18	656.29	892.88	929.20	950.18

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Pennsylvania Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 50% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period 10-year Paid Up				
Issue Age	No Inflation	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (No Maximum)
40	\$ 72.60	\$ 213.72	\$ 147.88	\$ 396.58
41	74.73	217.10	152.11	404.62
42	76.93	220.53	156.45	412.83
43	79.20	224.02	160.92	421.20
44	81.53	227.56	165.52	429.74
45	83.93	231.15	170.25	438.45
46	86.39	234.81	175.11	447.34
47	88.94	238.52	180.11	456.40
48	91.55	242.30	185.26	465.65
49	94.25	246.13	190.55	475.09
50	97.02	250.03	195.98	484.72
51	100.18	255.06	203.71	496.42
52	103.43	260.18	211.74	508.40
53	106.80	265.42	220.09	520.67
54	110.28	270.75	228.77	533.25
55	113.86	276.20	237.79	546.12
56	117.57	281.75	247.17	559.31
57	121.40	287.42	256.92	572.80
58	125.35	293.19	267.05	586.63
59	129.43	299.09	277.57	600.79
60	133.65	305.12	288.53	615.30
61	140.05	318.51	302.83	635.51
62	146.76	332.48	317.85	656.39
63	153.79	347.06	333.60	677.95
64	161.15	362.29	350.13	700.23
65	168.86	378.18	367.49	723.23
66	182.72	407.14	399.27	745.68
67	197.71	438.33	433.80	768.83
68	213.94	471.90	471.32	792.70
69	231.50	508.05	512.08	817.31
70	250.49	546.95	556.38	842.69
71	273.05	589.85	603.71	874.34
72	297.65	636.12	655.08	907.17
73	324.46	686.02	710.82	941.25
74	353.68	739.83	771.30	976.60
75	385.54	797.87	836.92	1,013.29

Pennsylvania Rates
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August 1, 2019

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Pennsylvania Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 75% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period 10-year Paid Up				
Issue Age	No Inflation	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (No Maximum)
40	\$ 80.89	\$ 237.67	\$ 164.15	\$ 437.73
41	83.29	241.27	168.74	446.27
42	85.77	244.94	173.46	454.97
43	88.31	248.66	178.31	463.84
44	90.93	252.44	183.29	472.88
45	93.62	256.28	188.42	482.10
46	96.40	260.17	193.69	491.49
47	99.26	264.13	199.10	501.07
48	102.21	268.15	204.67	510.84
49	105.25	272.23	210.39	520.80
50	108.38	276.36	216.26	530.97
51	111.77	281.51	224.42	543.04
52	115.27	286.76	232.88	555.38
53	118.88	292.11	241.67	568.01
54	122.60	297.55	250.79	580.92
55	126.43	303.09	260.25	594.12
56	130.39	308.74	270.06	607.63
57	134.48	314.49	280.25	621.45
58	138.68	320.35	290.82	635.57
59	143.01	326.32	301.79	650.01
60	147.49	332.38	313.16	664.77
61	154.11	346.27	327.95	685.23
62	161.03	360.75	343.45	706.32
63	168.27	375.83	359.69	728.06
64	175.82	391.53	376.68	750.46
65	183.73	407.88	394.49	773.54
66	198.43	438.23	427.68	796.00
67	214.30	470.83	463.66	819.12
68	231.44	505.87	502.67	842.90
69	249.95	543.51	544.95	867.37
70	269.95	583.94	590.79	892.55
71	293.70	628.06	639.43	923.90
72	319.54	675.51	692.08	956.35
73	347.64	726.55	749.06	989.93
74	378.22	781.44	810.73	1,024.71
75	411.50	840.47	877.49	1,060.69

Pennsylvania Rates
Policy Form 83500 COV 5022 et al
August 1, 2019

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Pennsylvania Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 100% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period 10-year Paid Up				
Issue Age	No Inflation	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (No Maximum)
40	\$ 90.15	\$ 264.34	\$ 182.22	\$ 483.22
41	92.84	268.19	187.20	492.26
42	95.61	272.10	192.32	501.47
43	98.47	276.06	197.58	510.85
44	101.42	280.08	202.98	520.41
45	104.46	284.16	208.54	530.15
46	107.58	288.30	214.25	540.07
47	110.80	292.50	220.11	550.18
48	114.11	296.76	226.13	560.47
49	117.52	301.08	232.31	570.96
50	121.04	305.47	238.67	581.63
51	124.69	310.71	247.26	594.02
52	128.44	316.03	256.16	606.68
53	132.30	321.45	265.38	619.61
54	136.27	326.96	274.92	632.82
55	140.36	332.57	284.81	646.31
56	144.57	338.27	295.06	660.08
57	148.92	344.07	305.68	674.15
58	153.40	349.97	316.68	688.51
59	158.00	355.96	328.08	703.19
60	162.76	362.08	339.87	718.18
61	169.59	376.45	355.15	738.79
62	176.70	391.40	371.12	760.00
63	184.12	406.95	387.81	781.81
64	191.85	423.10	405.24	804.25
65	199.90	439.89	423.48	827.33
66	215.48	471.66	458.11	849.70
67	232.27	505.73	495.56	872.66
68	250.36	542.25	536.09	896.26
69	269.86	581.41	579.92	920.49
70	290.90	623.40	627.33	945.38
71	315.89	668.71	677.26	976.28
72	343.02	717.31	731.16	1,008.19
73	372.49	769.44	789.35	1,041.15
74	404.49	825.36	852.18	1,075.18
75	439.22	885.35	920.02	1,110.33

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Pennsylvania Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 50% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period Paid Up at Age 65				
Issue Age	No Inflation	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (No Maximum)
18-30	\$ 32.56	\$ 72.69	\$ 54.27	\$ 193.80
31	33.72	76.11	56.96	199.03
32	34.91	79.68	59.77	204.41
33	36.16	83.44	62.73	209.94
34	37.44	87.36	65.84	215.61
35	38.78	91.47	69.09	221.43
36	40.16	95.77	72.51	227.41
37	41.59	100.27	76.10	233.55
38	43.08	104.98	79.86	239.87
39	44.61	109.92	83.81	246.35
40	46.20	115.08	87.97	252.99
41	48.86	120.93	93.45	261.98
42	51.68	127.08	99.26	271.28
43	54.65	133.54	105.45	280.92
44	57.79	140.33	112.01	290.90
45	61.12	147.46	118.99	301.24
46	64.64	154.95	126.40	311.94
47	68.35	162.82	134.28	323.02
48	72.29	171.09	142.64	334.49
49	76.45	179.78	151.53	346.37
50	80.85	188.90	160.99	358.69
51	86.58	203.82	174.04	390.15
52	92.72	219.91	188.17	424.37
53	99.29	237.27	203.43	461.59
54	106.33	256.00	219.95	502.08
55	113.86	276.21	237.79	546.13

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Pennsylvania Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 75% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period Paid Up at Age 65				
Issue Age	No Inflation	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (No Maximum)
18-30	\$ 35.90	\$ 80.78	\$ 60.10	\$ 214.70
31	37.22	84.59	63.10	220.42
32	38.59	88.57	66.23	226.29
33	40.01	92.74	69.52	232.32
34	41.47	97.11	72.97	238.51
35	42.99	101.68	76.60	244.87
36	44.56	106.47	80.41	251.39
37	46.20	111.49	84.40	258.09
38	47.89	116.73	88.61	264.97
39	49.65	122.23	93.02	272.03
40	51.48	127.97	97.65	279.25
41	54.46	134.40	103.66	288.95
42	57.61	141.14	110.06	298.99
43	60.94	148.23	116.84	309.38
44	64.46	155.66	124.05	320.12
45	68.19	163.47	131.69	331.24
46	72.13	171.68	139.81	342.75
47	76.30	180.29	148.43	354.65
48	80.71	189.33	157.59	366.97
49	85.37	198.84	167.30	379.72
50	90.32	208.80	177.64	392.92
51	96.60	224.96	191.74	426.79
52	103.32	242.36	206.95	463.58
53	110.52	261.12	223.38	503.55
54	118.21	281.33	241.11	546.95
55	126.43	303.09	260.25	594.11

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Issue Age	No Inflation	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (No Maximum)
18-30	\$ 39.60	\$ 89.80	\$ 66.54	\$ 237.84
31	41.10	94.04	69.86	244.09
32	42.65	98.47	73.36	250.50
33	44.25	103.11	77.02	257.08
34	45.93	107.98	80.87	263.84
35	47.66	113.07	84.92	270.77
36	49.47	118.40	89.17	277.88
37	51.34	123.98	93.62	285.19
38	53.27	129.82	98.31	292.68
39	55.29	135.94	103.22	300.37
40	57.37	142.34	108.38	308.26
41	60.70	149.39	115.01	318.73
42	64.22	156.78	122.02	329.54
43	67.95	164.55	129.47	340.73
44	71.90	172.70	137.38	352.29
45	76.07	181.25	145.77	364.24
46	80.49	190.22	154.67	376.61
47	85.16	199.64	164.12	389.39
48	90.11	209.53	174.14	402.60
49	95.35	219.90	184.78	416.26
50	100.87	230.79	196.05	430.41
51	107.76	248.28	211.26	466.86
52	115.12	267.10	227.63	506.41
53	122.98	287.35	245.29	549.31
54	131.38	309.13	264.31	595.84
55	140.36	332.56	284.80	646.31

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Pennsylvania Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 50% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period Premium Reduction at Age 65				
Issue Age	No Inflation	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (No Maximum)
18-30	\$ 14.32	\$ 37.98	\$ 26.03	\$ 116.28
31	15.00	40.12	27.60	119.96
32	15.72	42.37	29.27	123.75
33	16.47	44.76	31.04	127.67
34	17.25	47.28	32.92	131.70
35	18.07	49.94	34.91	135.87
36	18.93	52.76	37.03	140.17
37	19.83	55.73	39.27	144.61
38	20.78	58.86	41.65	149.18
39	21.77	62.17	44.17	153.90
40	22.81	65.69	46.82	158.77
41	24.37	68.89	49.61	164.63
42	26.02	72.26	52.57	170.70
43	27.78	75.79	55.70	176.99
44	29.66	79.49	59.03	183.51
45	31.67	83.37	62.55	190.28
46	33.81	87.44	66.29	197.29
47	36.11	91.71	70.25	204.56
48	38.57	96.18	74.44	212.09
49	41.18	100.88	78.88	219.91
50	43.98	105.79	83.62	228.01
51	47.45	112.94	90.74	239.07
52	51.21	120.57	98.46	250.68
53	55.25	128.72	106.84	262.85
54	59.62	137.42	115.93	275.61
55	64.33	146.71	125.80	288.98
56	69.41	156.62	136.50	303.01
57	74.89	167.20	148.12	317.71
58	80.81	178.50	160.72	333.14
59	87.19	190.55	174.39	349.31
60	94.05	203.41	189.20	366.25

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Pennsylvania Rates Before Adjustments Gross Monthly Premium Per \$100.00 of Facility Care Daily Benefit Home Care Daily Benefit: 75% of Facility Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 90-Day Elimination Period Premium Reduction at Age 65				
Issue Age	No Inflation	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (No Maximum)
18-30	\$ 15.80	\$ 42.21	\$ 28.82	\$ 128.82
31	16.57	44.58	30.57	132.85
32	17.37	47.10	32.43	136.99
33	18.22	49.75	34.40	141.27
34	19.11	52.56	36.49	145.68
35	20.04	55.52	38.70	150.24
36	21.02	58.65	41.05	154.94
37	22.04	61.96	43.55	159.78
38	23.12	65.46	46.19	164.77
39	24.24	69.16	48.99	169.92
40	25.41	73.05	51.96	175.24
41	27.14	76.57	55.03	181.57
42	28.99	80.26	58.29	188.11
43	30.97	84.12	61.73	194.90
44	33.08	88.17	65.38	201.93
45	35.33	92.41	69.25	209.21
46	37.74	96.87	73.34	216.76
47	40.32	101.53	77.67	224.58
48	43.07	106.43	82.26	232.67
49	46.00	111.55	87.12	241.07
50	49.14	116.93	92.27	249.77
51	52.95	124.65	99.96	261.53
52	57.07	132.88	108.28	273.85
53	61.50	141.65	117.30	286.74
54	66.28	151.00	127.07	300.23
55	71.42	160.96	137.65	314.37
56	76.97	171.59	149.12	329.18
57	82.94	182.92	161.54	344.67
58	89.38	195.00	174.99	360.90
59	96.32	207.87	189.56	377.89
60	103.79	221.58	205.35	395.70

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Issue Age	No Inflation	5% Automatic Simple Inflation	5% Automatic Compound Inflation (2x Maximum)	5% Automatic Compound Inflation (No Maximum)
18-30	\$ 17.42	\$ 46.93	\$ 31.90	\$ 142.70
31	18.29	49.58	33.85	147.11
32	19.21	52.37	35.92	151.66
33	20.16	55.33	38.10	156.34
34	21.16	58.45	40.43	161.17
35	22.22	61.75	42.89	166.16
36	23.33	65.24	45.51	171.29
37	24.50	68.93	48.28	176.58
38	25.72	72.82	51.23	182.04
39	26.99	76.93	54.35	187.66
40	28.33	81.26	57.68	193.46
41	30.26	85.12	61.06	200.28
42	32.33	89.17	64.64	207.34
43	34.54	93.40	68.42	214.65
44	36.91	97.83	72.42	222.22
45	39.42	102.49	76.66	230.05
46	42.12	107.36	81.15	238.17
47	45.00	112.46	85.89	246.58
48	48.08	117.81	90.92	255.28
49	51.37	123.41	96.23	264.28
50	54.87	129.25	101.83	273.59
51	59.06	137.58	110.12	286.08
52	63.57	146.44	119.10	299.13
53	68.42	155.88	128.80	312.79
54	73.65	165.92	139.29	327.06
55	79.27	176.62	150.65	341.99
56	85.32	188.00	162.92	357.60
57	91.83	200.12	176.20	373.92
58	98.85	213.03	190.55	390.98
59	106.39	226.75	206.07	408.83
60	114.53	241.38	222.86	427.49

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Adjustment Factors - Benefit Period	
Benefit Period (Years)	Premium Adjustment Factor
2	0.69
3	0.82
4	0.94
5	1.00
6	1.04
10	1.34
Lifetime	1.48

Adjustment Factors - Benefit waiting/Elimination Period	
Benefit waiting/elimination Period (days)	Premium Adjustment Factor
30	1.230
60	1.065
90	1.000
120	0.970
180	0.920
365	0.780

Adjustment Factors - Restoration of Benefits Riders	
Benefit Period (Years)	Restoration of Benefits
2	1.03
3	1.02
4	1.01
5	1.01
6	1.01
10	1.01
Lifetime	1.00

Adjustment Factors - Additional Rider	
Return of Premium	1.18
Shortened Benefit Period	1.11
Shared Waiver of Premium	1.03
Survivor Benefit	1.13

Adjustment Factors - to adjust ALF Benefit			
Home Health Percentage	Assisted Living Facility Benefit Percentage		
	50%	75%	100%
50%	1.00	1.03	1.06
75%	N/A	1.00	1.03
100%	N/A	N/A	1.00

Adjustment Factors - Death Benefit	
Death Benefit Type	Premium Adjustment Factor
None	1.000
Standard (100% to age 64)	1.035
Enhanced (100% to age 69)	1.050

*Factor applies to issue ages less than 75 or 80 only for the Standard and Enhanced benefits, respectively.

Adjustment Factors - Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.35	1.39
75%	1.46	1.49
100%	1.56	1.64

Adjustment Factors - Flexible Cash Benefit Rider		
Home Health Percentage	Premium Adjustment Factor	
	Non-Automatic Inflation	Automatic Inflation
50%	1.175	1.195
75%	1.230	1.245
100%	1.280	1.320

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Adjustment Factors - Shared Care Rider	
Benefit Period (Years)	Premium Adjustment Factor
2	1.23
3	1.15
4	1.10
5	1.08
6	1.08
10	1.07

Adjustment Factors - Premium Payment Mode	
Premium Payment Mode	Adjustment Factor
Annual	11.40
Semi-Annual	5.90
Quarterly	3.00
Monthly	1.00

Adjustment Factors - Spouse Discounts			
Discount Applies to:	Premium Adjustment Factor		
	5% Discount	10% Discount	15% Discount
Any Married/Partnered Persons	1.030	1.055	1.090
Married Persons if Both Spouses/Partners Apply	1.020	1.045	1.080

Adjustment Factors - Frequency of Periodic Inflation Offer	
Frequency of Offer	Premium Adjustment Factor
Every Year	1.03
Every Two Years	1.01
Every Three Years	1.00

Adjustment Factors - Type of Medical Underwriting	
Underwriting	Premium Adjustment Factor*
Simplified Underwriting for Active Employee Spouses (ages<65), Guaranteed Issue for Employees, Full Medical Underwriting for all others	1.04
Simplified Underwriting for Active Employee and Spouses (ages <65), Full Medical Underwriting for all others	1.03
Guaranteed Issue for Active Employees, Full Medical Underwriting for all others	1.00
Simplified Underwriting for Active Employees and Full Medical Underwriting for all others	0.99
Full Medical Underwriting for all applicants	0.94**

* Adjustment factors only apply to issue ages less than 65

** Does not apply for plans with an Unlimited benefit period

Adjustment Factors - For Underwriting Judgement	
	Premium Adjustment Factor
Demographic-Based	.75 - 1.15

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Base Rates and Adjustment Factors
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Adjustment Factors - Core Coverage		
Issue Age	Premium Adjustment Factor Lifetime Pay	
	Non-Automatic	Automatic
<= 30	0.69	0.79
40	0.81	0.93
50	0.79	0.85
60	0.72	0.8
>= 65	1.00	1.00

Adjustment Factors - Core Business			
Issue Age	Premium Adjustment Factor		
	10-year Paid Up	Paid up at Age 65	Premium Reduction at Age 65
<= 30	N/A	0.74	0.70
40	0.94	0.85	0.90
50	0.98	1.00	1.05
60	0.96	N/A	1.05
65	1.08	N/A	N/A
70	1.08	N/A	N/A
75	1.09	N/A	N/A

Adjustment Factors - Commission Rate Variations	
Level Commission Rate*	Premium Adjustment Factor
0%	1.00
5%	1.05
10%	1.11
15%	1.18
20%	1.25

*Or actuarially equivalent non-level commission schedules that comply with any applicable state requirements

Pennsylvania Rates
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August 1, 2019

SERFF Tracking #:	PRUD-131789913	State Tracking #:	PRUD-131789913	Company Tracking #:	IIGHGLTC4RATE-RP-PA
State:	Pennsylvania	Filing Company:	The Prudential Insurance Company of America		
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified				
Product Name:	Group Long Term Care Insurance				
Project Name/Number:	GLTC-4 Re-Rate/7G-2018				

Supporting Document Schedules

Satisfied - Item:	Transmittal Letter (A&H)
Comments:	
Attachment(s):	PA - Filing Cover Letter - 1-17-2019.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Actuarial Certification (A&H)
Bypass Reason:	Please refer to section 22, Pages 8 & 9 Of the Actuarial Memorandum attached to the Supporting Documentation Tab of this filing.
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Actuarial Memorandum and Explanatory Information (A&H)
Comments:	
Attachment(s):	PA - Act Memo - Revised Rates GLTC4.pdf PA - All GLTC4 Rate Increase.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Advertisements (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Authorization to File (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Insert Page Explanation (A&H)
Bypass Reason:	N/A
Attachment(s):	

State:	Pennsylvania	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-4 Re-Rate/7G-2018		

Item Status:	
Status Date:	
Bypassed - Item:	Rate Table (A&H)
Bypass Reason:	Please refer to Appendix D (Rate Pages), attached to the Rate Schedule Tab of this filing.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Replacement Form with Highlighted Changes (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Reserve Calculation (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Variability Explanation (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Appendix C - Description of Experience Analysis and Assumption Setting
Comments:	
Attachment(s):	Appendix C - Description of Experience Analysis and Assumption Setting.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Appendix C - Exhibit 1 - Mortality Details - GLTC
Comments:	
Attachment(s):	Appendix C - Exhibit 1 - Mortality Details - GLTC.pdf
Item Status:	
Status Date:	

State:	Pennsylvania	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-4 Re-Rate/7G-2018		

Satisfied - Item:	Appendix C - Exhibit 2 - Lapse Details - GLTC
Comments:	
Attachment(s):	Appendix C - Exhibit 2 - Lapse Details - GLTC.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Appendix C - Exhibit 3 - Morbidity Details- GLTC
Comments:	
Attachment(s):	Appendix C - Exhibit 3 - Morbidity Details - GLTC.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Certificateholder Advanced Notification Letter
Comments:	
Attachment(s):	GLTC-4 Certificateholder Advance Notification Letter.pdf
Item Status:	
Status Date:	



Keith Burns, ASA, MAAA
Vice President and Actuary
Financial Management

The Prudential Insurance Company of America
Long Term Care Unit
100 Mulberry Street
Gateway Center 2, 11th Floor
Newark, NJ 07102
Tel 402 715-4861
keith.burns@prudential.com

January 17, 2019

The Honorable Jessica Altman
Commissioner of Insurance
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120

Re.: The Prudential Insurance Company of America
NAIC #304-68241
Group Long Term Care Insurance
Form Numbers: 83500 COV 5027, et al

Dear Commissioner Altman:

We enclose for your review a group long-term care insurance rate schedule change. We are requesting the approval or authorization of a premium rate increase for the above referenced forms.

Form series 83500 COV 5027, et al were previously approved by the Department on April 26, 2007. The product was first made available nationwide in 2002. We are no longer actively marketing this coverage.

Some of Prudential's pricing assumptions for this series of forms, although based on the best information then available, were not consistent with our emerging experience. In view of these results, we are requesting a rate increase of 10% for the series of forms 83500 BFW 5005, et al in the state of Pennsylvania.

The rate increase is needed to help ensure that future premiums, in combination with existing reserves, will be adequate to fund anticipated claims. We will continue to monitor the performance of this block of business after this rate action. It is possible that as we continue to regularly review the experience of these series of forms, another increase may be needed in the future.

The deterioration of experience relative to pricing has contributed to the need to strengthen Prudential's Reserves, depleting surplus. In 2018 Prudential increased its pre-tax GAAP reserves by \$1.5 billion to account for the impact of revised assumptions due to recent deterioration in experience. This change in GAAP reserves was primarily driven by changes to our morbidity assumptions.

The requested rate increases will not restore original profit margins, but will help Prudential avoid additional losses as well as further depletion of its surplus. Approval of the requested rate increase will also help maintain equity amongst the states. Deferring rate increases will only increase the size of needed future rate increases.

After state approval or authorization is obtained, Prudential will establish an implementation date for impacted group contracts. The increase for impacted insureds will become effective on the first premium due date following the implementation of the rate increase established for their group. The earliest increase will be effective no earlier than August 1, 2019. Prudential will provide advance notice of the rate increase to the Group Contract Holder and certificateholders, according to the contractual and regulatory provisions.

We understand that a premium increase may be difficult for impacted insureds to absorb. Consequently, Prudential is prepared to offer options to enable policyholders to partially or fully offset the rate increase with benefit reductions such as reducing the Lifetime Maximum, decreasing their Facility Daily Benefit, or dropping optional rider(s). Additionally, as an alternative, impacted insureds may also exercise their rights under a non-forfeiture benefit option or the plan's contingent non-forfeiture provision.

The following items are included with this submission:

- All Actuarial Material
- All Required Certifications
- State transmittal and checklists (If applicable)
- [Advance Notification Packet

Correspondence: Please correspond directly with my associate concerning this filing.

Raenonna Prince, CLTC, LTCP
Lead Analyst
The Prudential Insurance Company of America
2101 Welsh Rd.
Dresher, PA 19025
Voice: (800) 732-0416 or (215) 658-6281
Fax: (888) 294-6335
e-mail: raenonna.prince@prudential.com

Very truly yours,



Keith Burns, ASA, MAAA
Vice President and Actuary

Enclosures

January 11, 2019
Actuarial Memorandum Supporting Rate Revision for
The Prudential Insurance Company of America
Group Long-Term Care Insurance Plan
Pennsylvania

1. Scope and Purpose

The purpose of this memorandum is to provide actuarial information supporting a rate revision to premiums for the following The Prudential Insurance Company of America's Tax-Qualified group long-term care Forms and their associated riders:

<u>Product Name</u>	<u>Form Number</u>
GLTC4	83500 COV 5027

This product was first available nationwide in 2009. Some riders may not be available in all states. This rate filing is not intended to be used for other purposes.

These revisions are necessary because the current best estimate projections of the nationwide lifetime loss ratios are worse than the expected loss ratios. The higher lifetime loss ratios are due to adverse morbidity and persistency experience. In addition, GLTC4 was developed and filed under the rate stabilization requirements established in the 2000 LTC NAIC Model Regulation. The rate increase being requested meets the 58/85 loss ratio test established in the 2000 LTC NAIC Model Regulation.

Prudential is filing for premium rate increases in each state where policies of these forms were issued.

Upon approval of this rate revision, Prudential will communicate to policyholders their options to reduce the impact of the rate increase. There will also be opportunities for almost all certificate holders to keep the premium at or below the same level they were paying prior to the rate revision. These options will include reducing the lifetime maximum, reducing the daily benefit, eliminating optional riders. In addition, the contingent non-forfeiture benefit will be available for all certificate holders regardless of their age or rate increase amount.

Please refer to Section 20 for a description of the information contained in each Appendix included in the filing.

2. Description of Benefits

The policies issued on these forms are referred as the "GLTC4" product series. This plan was a Guaranteed Renewable, Group Long-Term Care policy that were issued to eligible active

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employees and retirees of employer groups and eligible members of association groups. In addition, coverage was offered to spouses, surviving spouses, parents, parents-in-law, grandparents, and adult children age 18 and older and their spouses of eligible active employees/retirees and members in these groups, or otherwise qualified adults.

This product provides comprehensive long-term care coverage for care received in a nursing home, assisted living facility, home and community-based care or hospice care. This product is intended to be a Tax Qualified Long Term Care Insurance Contracts as defined by the internal revenue code section 7702B(b).

This product reimburses covered long-term care expenses subject to the amount of coverage purchased. A benefit waiting / elimination period, daily or monthly maximum benefit amount for nursing home, assisted living facility and home and community care, lifetime maximum benefit period and inflation protection option are selected by at issue. The Group client selects a limited number of benefit choices for their employees to choose from. Several optional riders were also available. The available choices can be found in the attached premium rate tables.

The benefit eligibility criteria is based on the insured's loss of the ability to perform activities of daily living (ADLs) or having a severe cognitive impairment. Activities of Daily Living are bathing, continence, dressing, eating, toileting, and transferring. Premiums will be waived beginning the first day of the next month following when LTC benefits are payable.

3. Renewability Clause

These products are Guaranteed Renewable, Group Long Term Care policies.

4. Applicability

The premium increase contained in this memorandum will be applicable to all certificate holders of the policy form and riders described in Section 1 as well as all future periodic inflation protection offers. The revised premium rate schedules can be found in Appendix F.

5. Actuarial Assumptions

The actuarial assumptions used to project the future premiums and claims are described in this section. Appendix C provides further details of how the experience studies were conducted that

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January 11, 2019**

were used to develop the actuarial assumptions. The assumptions used in this filing are Prudential's best estimate expectations of future experience as of the time of this filing and do not include any provisions for adverse experience. These assumptions are the basis for the assumptions being used in the company's internal cash flow testing.

Morbidity

The best estimate morbidity assumptions were developed based on a combination of Prudential's historical claim experience, the *Milliman 2014 Long Term Care Guidelines (Guidelines)* and judgment. The *Guidelines* reflect over 29 million life years of exposure and \$25 billion of incurred claims and the experience and judgment of Milliman actuaries. The policy design and coverages, the underwriting applied at the time, and the claim adjudication process were all considered when setting the claim cost assumptions. The claim cost assumptions reflect Prudential's current best estimate of future morbidity. The best estimate assumptions do not include an assumption for morbidity improvement. The assumptions do not include any adverse selection from the rate increase or loads for moderately adverse experience.

Mortality

The mortality assumptions were developed from a mortality study conducted on Prudential's experience and judgment. The current best estimate mortality assumption is the 2012 IAM Basic Table on an Age Last Birthday basis with mortality selection factors and mortality improvement. The mortality selection factors vary by issue age, gender and duration. The factors are generally below 1 in the early durations and grade to 1.05 in the ultimate (dur 30+) period. Future mortality improvement of 1% per year for 20 years (2018 through 2038) is assumed. We assumed all remaining policies would terminate at attained age 120. The assumptions do not include any loads for moderately adverse experience.

Lapses

The voluntary lapse assumptions were developed from a policy persistency study conducted on Prudential's experience and judgment. The voluntary lapse assumptions are our expectations for policy terminations, by duration, for reasons other than death, benefit exhaust or benefit buy-downs. These are separate from our shock lapse assumptions which we define as terminations due to rate increases. The lapse assumptions represent the current best estimate expectations of future experience and do not include any provisions for adverse experience. Lastly, the projections include an annualized shock lapse rate of 2.8% assumed over the expected implementation period. This annual shock lapse rate represents the estimated impact of

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policyholders lapsing their policy due to the rate increase but maintaining a nonforfeiture benefit as well as policyholders electing benefit reductions. Voluntary lapse rates are shown below and vary by policy duration. For “Core” business, where the employer pays for the coverage, the lapse rate is 24.1%, grades to an ultimate rate of 4.5% by attained age 65 and is 0.6% AA 65+. For one specific large group, based on the credible experience of that group, the lapse rate is 0.7% and grades to an ultimate rate of 0.4% by duration 30.

Duration	All except Core and large group client	Core*	Large Group Client**
1	8.2%	24.1%	0.7%
2	5.7%	24.1%	0.7%
3	4.8%	13.5%	0.7%
4	2.1%	13.5%	0.7%
5	2.1%	13.5%	0.7%
6	2.1%	8.0%	0.7%
7	2.1%	8.0%	0.7%
8	2.1%	8.0%	0.7%
9	2.0%	8.0%	0.7%
10	1.5%	5.8%	0.65%
11	1.5%	4.5%	0.65%
12	0.9%	4.5%	0.65%
13	0.8%	4.5%	0.65%
14	0.7%	4.5%	0.65%
15	0.65%	4.5%	0.65%
16+	0.6%	4.5%	0.65%

*0.6% ultimate lapse rate at AA 65

** Dur 30+ is 0.6%

Interest Rate

An annual interest rate of 4.0% was used to calculate the lifetime loss ratio in the supporting appendices. This was determined based on the predominant number of certificates issued in years that the maximum statutory valuation rate was 4.0%.

Expenses

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The need for a rate increase is based on the lifetime loss ratio being in excess of the minimum loss ratio. Expenses do not directly impact the lifetime loss ratio and therefore are not used as justification for the rate increase. As such, expenses are not being projected and are not included in this filing.

6. Issue Age Range

This product was available for issue ages up to 85. Premiums are based on issue age.

7. Area Factors

The Company did not use area factors within the state in the premium scale for this product.

8. Average Annual Premium

The average annual premium for this product for both prior to the impact of the requested rate increase, and after, is indicated in Appendix A to this memorandum.

9. Modal Premium Factors

Modal loads are required because of the varied expenses incurred by the Company and the effect of interest and persistency. The modal premium factors will remain unchanged from the current factors.

10. Claim Liability and Reserve

Claim reserves were calculated using appropriate actuarial methods for IBNR and for open claims on a disabled life basis. The claim reserves were discounted to the date of incurral for each claim and have been included in the historical incurred claims.

11. Active Life Reserves

**Actuarial Memorandum Supporting Rate Revisions for
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We have provided supporting evidence for the justification of the proposed increase based on the relationship of incurred claims divided by earned premium compared to the minimum required loss ratios. Incurred claims exclude any change in active life reserves.

12. Trend Assumption

Benefits payable are equal to or less than the daily or monthly benefit limit. We have not included any medical trend in the projections.

13. Requested Rate Increase and Demonstration of Satisfaction of Loss Ratio Requirements

Prudential is requesting a 10% premium increase, to be applied to all GLTC4 inforce certificate holders.

Satisfaction of the loss ratio requirement is demonstrated in Appendix A. The demonstration is based on a 58% loss ratio on the initial premium and an 85% loss ratio on the increased premium. This approach requires that the sum of the historical and projected future incurred claims must exceed the sum of 58% of the initial premium and 85% of the increased premium.

14. Distribution of Business

The historical experience reflects the actual distribution of policies during the experience period. We used the current distribution of business as of June 30, 2018 to project future experience. Appendix E contains the distribution of the inforce policies by key demographic and benefit characteristics.

15. Experience – Past and Future

The historical and projected nationwide, both with and without the rate increase, is contained in Appendix B. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix B. Additionally, the historical and projected nationwide experience provided is on a Pennsylvania rate basis to avoid subsidization amongst states.

**Actuarial Memorandum Supporting Rate Revisions for
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The historical and projected experience for this state, both with and without the rate increase, is contained in Appendix F. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix F.

For several groups Prudential replaced another insurer and reserves were transferred from the other insurer to Prudential. Those reserves were added to the historical premium in the year of the transfer. Any premium and claims prior to the transfer is not included.

Historical experience is shown by claim incurral year.

16. Lifetime Loss Ratio

The anticipated nationwide lifetime loss ratios, both without a rate increase and with the requested rate increase, are shown in Appendix A. The development of the updated nationwide lifetime loss ratios is shown in Appendix B.

The rate increase is assumed effective August 1, 2019 in our projections.

17. History of Rate Adjustments

There have been no previous rate increases on inforce policyholders with this policy form.

18. Number of Policyholders

The current number of policyholders as of June 30, 2018 can be found in Appendix A.

19. Proposed Effective Date

This rate revision will be implemented following state approval and a minimum of a 60 day notification to the certificate holder. Implementation will be no earlier than August 1, 2019.

20. Summary of Appendices

**Actuarial Memorandum Supporting Rate Revisions for
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Appendix A primarily contains information that is specific to the state in which this filing is made. Examples of some items included are the requested rate increase, the average annual premium, demonstration of meeting required minimum loss ratio standards, the number of policyholders inforce, etc.

Appendix B contains historical and projected nationwide experience for all policies issued under this form on a Pennsylvania state rate basis. The appendix also includes the projected lifetime loss ratios both without and with the proposed increase. Note that is no margin for adverse deviation in the future incurred claim projections in Appendix B.

Appendix C describes the development of the best estimate morbidity, mortality and voluntary lapse assumptions and contains three exhibits that show actual to expected experience. The expected values in these exhibits reflect Prudential's current assumptions at the time of this filing. Actual to expected results close to 100% demonstrates that the current assumptions are reasonable compared to the actual results.

Appendix D contains the premium rate pages associated with this filing.

Appendix E contains the distribution of the inforce policies by key demographic and benefit characteristics.

Appendix F contains the same information as Appendix B except it contains only state specific experience and projections.

21. Relationship of Renewal Premium to New Business Premium.

Prudential is no longer selling any new Long-Term Care business. Therefore, the comparison of renewal premium rates after the rate increase to the Company's current new business premium rate schedule is not applicable.

22. Actuarial Certification

I am a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing long term care insurance premiums.

**Actuarial Memorandum Supporting Rate Revisions for
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To the best of my knowledge and judgment this rate filing is in compliance with the applicable laws and regulations of this State as they relate to premium rate developments and revisions.

The policy design and coverages, the underwriting used at the time of issue, and the claim adjudication process were all considered when setting the actuarial assumptions.

In forming my opinion, I have used actuarial assumptions and actuarial methods as I considered necessary. The pricing assumptions are consistent with Prudential's current best estimates and do not include a margin for adverse experience. These assumptions are used to calculate the new target lifetime loss ratio as shown in Appendix A, Section 22a.

The premium rates are not excessive or unfairly discriminatory. If the requested premium increase is implemented and the underlying assumptions with a 10% load for moderately adverse conditions are realized, no further premium rate schedule increases are anticipated.

If the future experience deteriorates beyond the 10% moderately adverse load to future incurred claims, and exceeds the lifetime ratio shown in Appendix A, Section 22b, Prudential may need to file for additional in-force premium increases on these forms. At that time, the requested increase would be recalculated to manage the block to the target lifetime loss ratio as shown in Appendix A, Section 22a.



Keith Burns, ASA, MAAA
Vice President and Actuary
Prudential Long Term Care
January 11, 2019

Appendix A
The Prudential Insurance Company of America
GLTC4

Pennsylvania

Requested Rate Increase

<u>Benefit Type</u>	<u>Requested Amount</u>
All	10.0%

8. Average Annual Premium

<u>Rate Basis</u>	<u>Pennsylvania</u>	<u>Nationwide</u>
Without Increase	\$1,741	\$1,537
With Increase	\$1,915	\$1,690

13. Satisfaction of Loss Ratio Requirements

Rate Stability Requirement:

1) Total Incurred Claims	\$1,291,984,790
58% of initial premium	\$847,794,789
85% of increased premium	\$68,765,082
2) Sum of 58%/85% premium	\$916,559,871
Is 1 greater than 2?	Yes

16. Lifetime Loss Ratio

<u>Policy type</u>	<u>Without Increase</u>	<u>With Increase</u>
All	89%	84%

17. History of Rate Adjustments

No prior rate increases

18. Number of Policyholders and Annualized Premium as of June 30, 2018

<u>Policy type</u>	<u>Policies Inforce</u>		<u>Premium Inforce</u>	
	<u>Pennsylvania</u>	<u>Nationwide</u>	<u>Pennsylvania</u>	<u>Nationwide</u>
All	2,548	44,819	\$4,435,145	\$68,867,547

22. Projected Loss Ratio

(a) Expected target lifetime loss ratio with rate increase	84%
(b) Lifetime loss ratio with rate increase and 10% moderately adverse load to future incurred claims	92%

Appendix B
The Prudential Insurance Company of America
Historical and Projected Experience
Nationwide Experience
Pennsylvania Premium Rate Basis
GLTC4

Historical

Calendar Year	Earned Premium	Reserve Transfer	Earned Premium + Reserve Transfer	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
2009	19,435	946,173	965,608	0	0	0	0%
2010	861,977	3,392,047	4,254,024	73,388	0	73,388	2%
2011	6,599,830	19,881,212	26,481,042	569,071	288,803	857,874	3%
2012	42,017,861	82,511,107	124,528,968	3,689,039	1,072,727	4,761,766	4%
2013	60,821,734	9,935,605	70,757,339	4,456,737	1,082,029	5,538,766	8%
2014	63,927,388	0	63,927,388	6,497,218	4,724,788	11,222,006	18%
2015	65,463,588	0	65,463,588	6,268,171	6,581,423	12,849,594	20%
2016	66,101,128	0	66,101,128	4,919,827	8,649,366	13,569,193	21%
2017	66,605,589	0	66,605,589	3,108,936	12,032,532	15,141,468	23%
2018*	34,043,184	0	34,043,184	324,270	8,189,488	8,513,758	25%

Projection without Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	33,885,941	8,690,503	26%
2019	66,541,383	18,892,179	28%
2020	64,941,103	20,976,538	32%
2021	63,376,428	23,176,845	37%
2022	61,869,213	25,499,955	41%
2023	60,395,060	28,149,864	47%
2024	58,964,607	31,093,409	53%
2025	57,541,624	34,305,776	60%
2026	56,096,259	37,783,349	67%
2027	54,613,741	41,374,543	76%
2028	53,078,477	45,129,723	85%
2029	51,481,886	49,217,599	96%
2030	49,819,449	53,563,686	108%
2031	48,090,674	57,910,832	120%
2032	46,301,358	62,143,957	134%
2033	44,461,718	66,533,381	150%
2034	42,577,068	71,077,237	167%
2035	40,654,675	75,552,842	186%
2036	38,703,825	79,827,701	206%
2037	36,730,821	83,894,934	228%
2038	34,731,469	87,684,306	252%
2039	32,704,187	91,087,954	279%
2040	30,649,128	93,955,206	307%
2041	28,578,711	96,155,216	336%
2042	26,512,814	97,727,667	369%
2043	24,476,702	98,656,805	403%
2044	22,490,166	98,942,813	440%
2045	20,565,883	98,585,354	479%
2046	18,714,376	97,555,848	521%
2047	16,947,249	95,921,798	566%
2048	15,269,800	93,727,413	614%
2049	13,689,204	91,017,041	665%
2050	12,210,639	87,854,857	719%
2051	10,836,951	84,313,608	778%
2052	9,571,801	80,518,084	841%
2053	8,413,124	76,513,062	909%
2054	7,359,384	72,359,095	983%
2055	6,407,439	68,087,441	1063%
2056	5,552,474	63,716,482	1148%
2057+	30,519,682	635,896,620	2084%

Projection with Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	33,885,941	8,690,503	26%
2019	67,932,804	18,760,277	28%
2020	69,268,708	20,493,489	30%
2021	67,762,076	22,619,460	33%
2022	66,150,563	24,884,464	38%
2023	64,574,398	27,467,474	43%
2024	63,044,958	30,336,543	48%
2025	61,523,505	33,467,304	54%
2026	59,978,120	36,856,278	61%
2027	58,393,012	40,355,547	69%
2028	56,751,507	44,013,986	78%
2029	55,044,433	47,996,304	87%
2030	53,266,955	52,229,338	98%
2031	51,418,549	56,462,677	110%
2032	49,505,411	60,584,389	122%
2033	47,538,469	64,857,312	136%
2034	45,523,401	69,279,927	152%
2035	43,467,979	73,635,324	169%
2036	41,382,130	77,794,779	188%
2037	39,272,594	81,751,040	208%
2038	37,134,887	85,435,610	230%
2039	34,967,317	88,744,247	254%
2040	32,770,048	91,529,913	279%
2041	30,556,358	93,665,126	307%
2042	28,347,501	95,188,583	336%
2043	26,170,490	96,085,171	367%
2044	24,046,486	96,355,257	401%
2045	21,989,043	95,998,944	437%
2046	20,009,411	94,988,548	475%
2047	18,119,998	93,389,842	515%
2048	16,326,470	91,246,078	559%
2049	14,636,497	88,600,558	605%
2050	13,055,616	85,515,994	655%
2051	11,586,868	82,063,163	708%
2052	10,234,170	78,363,444	766%
2053	8,995,313	74,460,491	828%
2054	7,868,653	70,413,262	895%
2055	6,850,834	66,252,270	967%
2056	5,936,705	61,995,377	1044%
2057+	32,631,644	618,481,688	1895%

* Historical 2018 Experience - 1/1/2018 through 6/30/2018

** Projected 2018 Experience - 7/1/2018 through 12/31/2018

Loss Ratio Summaries

Accumulated Value of Historical to 6/30/2018	609,266,578	80,596,669	13%	609,266,578	80,596,669	13%
Present Value of Future to 6/30/2018	878,146,397	1,242,768,868	142%	933,348,672	1,211,388,121	130%
Total Values	1,487,412,974	1,323,365,537	89%	1,542,615,250	1,291,984,790	84%
(Discounted at 4.0%)						

Projected Loss Ratio		Without Increase		With Increase
Overall		89%		84%

Minimum Lifetime Loss Ratio 60%

Appendix F
The Prudential Insurance Company of America
Historical and Projected Experience
Pennsylvania Experience
Pennsylvania Premium Rate Basis
GLTC4

Historical

Calendar Year	Earned Premium	Reserve Transfer	Earned Premium + Reserve Transfer	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
2009	0	0	0	0	0	0	0%
2010	0	0	0	0	0	0	0%
2011	0	0	0	0	0	0	0%
2012	1,494,627	5,566,764	7,061,391	403,099	339,771	742,870	11%
2013	4,077,199	1,501,276	5,578,475	102,335	66,962	169,297	3%
2014	4,068,679	0	4,068,679	109,699	171,452	281,151	7%
2015	4,188,429	0	4,188,429	286,041	489,794	775,835	19%
2016	4,233,432	0	4,233,432	126,133	152,437	278,570	7%
2017	4,134,593	0	4,134,593	68,889	467,264	536,153	13%
2018*	2,131,759	0	2,131,759	0	397,976	397,976	19%

Projection without Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	2,054,322	426,787	21%
2019	4,041,770	912,715	23%
2020	3,952,127	1,015,573	26%
2021	3,863,095	1,133,275	29%
2022	3,778,885	1,270,779	34%
2023	3,696,763	1,411,817	38%
2024	3,618,811	1,576,928	44%
2025	3,543,422	1,768,287	50%
2026	3,466,709	1,977,635	57%
2027	3,387,710	2,197,636	65%
2028	3,305,659	2,423,578	73%
2029	3,219,214	2,673,617	83%
2030	3,127,841	2,944,918	94%
2031	3,032,147	3,221,087	106%
2032	2,932,269	3,487,322	119%
2033	2,828,568	3,757,837	133%
2034	2,721,901	4,057,488	149%
2035	2,612,792	4,356,944	167%
2036	2,501,483	4,654,146	186%
2037	2,388,284	4,946,158	207%
2038	2,272,695	5,231,597	230%
2039	2,154,158	5,500,949	255%
2040	2,032,751	5,743,887	283%
2041	1,908,747	5,955,582	312%
2042	1,782,624	6,130,986	344%
2043	1,656,648	6,271,210	379%
2044	1,532,131	6,368,802	416%
2045	1,410,103	6,426,193	456%
2046	1,290,996	6,434,670	498%
2047	1,175,576	6,393,134	544%
2048	1,064,585	6,308,962	593%
2049	958,503	6,179,726	645%
2050	858,062	6,011,630	701%
2051	763,471	5,804,577	760%
2052	675,201	5,554,668	823%
2053	593,457	5,287,742	891%
2054	518,329	5,006,917	966%
2055	449,879	4,698,014	1044%
2056	387,902	4,364,462	1125%
2057+	1,971,235	34,585,057	1754%

Projection with Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	2,054,322	426,787	21%
2019	4,126,286	906,405	22%
2020	4,215,492	992,414	24%
2021	4,130,421	1,106,273	27%
2022	4,040,384	1,240,360	31%
2023	3,952,579	1,377,869	35%
2024	3,869,233	1,538,835	40%
2025	3,788,627	1,725,369	46%
2026	3,706,605	1,929,423	52%
2027	3,622,140	2,143,844	59%
2028	3,534,411	2,364,023	67%
2029	3,441,983	2,607,668	76%
2030	3,344,288	2,871,973	86%
2031	3,241,972	3,140,946	97%
2032	3,135,182	3,400,214	108%
2033	3,024,305	3,663,637	121%
2034	2,910,257	3,955,413	136%
2035	2,793,597	4,246,907	152%
2036	2,674,585	4,536,149	170%
2037	2,553,554	4,820,321	189%
2038	2,429,965	5,098,042	210%
2039	2,303,226	5,360,044	233%
2040	2,173,417	5,596,265	257%
2041	2,040,832	5,802,011	284%
2042	1,905,982	5,972,361	313%
2043	1,771,288	6,108,413	345%
2044	1,638,155	6,202,925	379%
2045	1,507,682	6,258,277	415%
2046	1,380,333	6,266,016	454%
2047	1,256,926	6,225,068	495%
2048	1,138,254	6,142,628	540%
2049	1,024,831	6,016,346	587%
2050	917,439	5,852,271	638%
2051	816,304	5,650,322	692%
2052	721,925	5,406,691	749%
2053	634,524	5,146,533	811%
2054	554,198	4,872,889	879%
2055	481,011	4,571,970	950%
2056	414,745	4,247,123	1024%
2057+	2,107,645	33,644,222	1596%

* Historical 2018 Experience - 1/1/2018 through 6/30/2018

** Projected 2018 Experience - 7/1/2018 through 12/31/2018

Loss Ratio Summaries

Accumulated Value of Historical to 6/30/2018	36,224,793	3,608,356	10%	36,224,793	3,608,356	10%
Present Value of Future to 6/30/2018	55,127,484	73,654,796	134%	58,604,507	71,793,291	123%
Total Values	91,352,277	77,263,152	85%	94,829,301	75,401,647	80%
(Discounted at 4.0%)						

Projected Loss Ratio

Overall	Without Increase	With Increase
	85%	80%

Appendix E
The Prudential Insurance Company of America
Distribution of Inforce Business as of June 30, 2018
GLTC4

	Count	% of Count	Premium	% of Premium
Issue Year				
2009	141	0.3%	93,393	0.1%
2010	2,685	6.0%	2,944,425	4.3%
2011	8,546	19.1%	13,358,668	19.4%
2012	26,655	59.5%	42,666,980	62.0%
2013	6,535	14.6%	9,342,119	13.6%
2014	87	0.2%	150,476	0.2%
2015	41	0.1%	86,480	0.1%
2016	45	0.1%	66,966	0.1%
2017	82	0.2%	155,410	0.2%
2018	2	0.0%	2,630	0.0%
Total	44,819	100.0%	68,867,547	100.0%

Issue Age				
Under 30	760	1.7%	311,569	0.5%
30-34	1,681	3.8%	925,529	1.3%
35-39	3,098	6.9%	2,310,125	3.4%
40-44	5,544	12.4%	5,355,957	7.8%
45-49	7,990	17.8%	9,798,205	14.2%
50-54	10,642	23.7%	16,534,006	24.0%
55-59	8,717	19.4%	16,714,336	24.3%
60-64	4,808	10.7%	11,486,734	16.7%
65-69	1,240	2.8%	3,915,337	5.7%
70-74	280	0.6%	1,181,763	1.7%
75-79	48	0.1%	261,019	0.4%
80+	11	0.0%	72,968	0.1%
Total	44,819	100.0%	68,867,547	100.0%

Average Issue Age 50.3

Appendix E
The Prudential Insurance Company of America
Distribution of Inforce Business as of June 30, 2018
GLTC4

	Count	% of Count	Premium	% of Premium
Attained Age				
Under 30	49	0.1%	24,531	0.0%
30-34	237	0.5%	85,034	0.1%
35-39	713	1.6%	302,213	0.4%
40-44	1,425	3.2%	851,509	1.2%
45-49	2,840	6.3%	2,216,906	3.2%
50-54	4,514	10.1%	4,348,579	6.3%
55-59	7,564	16.9%	9,123,858	13.2%
60-64	9,379	20.9%	13,617,860	19.8%
65-69	8,672	19.3%	15,241,618	22.1%
70-74	5,744	12.8%	12,493,454	18.1%
75-79	2,482	5.5%	6,568,658	9.5%
80+	1,200	2.7%	3,993,327	5.8%
Total	44,819	100.0%	68,867,547	100.0%

Average Attained Age 61.6

Gender				
Male	20,638	46.0%	32,893,346	47.8%
Female	24,181	54.0%	35,974,200	52.2%
Total	44,819	100.0%	68,867,547	100.0%

Inflation Option				
No Inflation	729	1.6%	210,657	0.3%
GPO	39,067	87.2%	56,080,167	81.4%
5% Simple Lifetime	1,647	3.7%	2,989,545	4.3%
5% Compound Lifetime	3,376	7.5%	9,587,178	13.9%
Total	44,819	100.0%	68,867,547	100.0%

Elimination Period				
30 Day	3,595	8.0%	6,280,474	9.1%
60 Day	3,149	7.0%	5,884,409	8.5%
90 Day	38,075	85.0%	56,702,664	82.3%
Total	44,819	100.0%	68,867,547	100.0%

Benefit Period				
2 Years	106	0.2%	37,463	0.1%
3 Years	17,521	39.1%	21,342,268	31.0%
5 Years	25,609	57.1%	44,349,207	64.4%
7 Years	1,163	2.6%	2,048,678	3.0%
10 Years	417	0.9%	1,087,300	1.6%
Lifetime	3	0.0%	2,631	0.0%
Total	44,819	100.0%	68,867,547	100.0%

Appendix E
The Prudential Insurance Company of America
Distribution of Inforce Business as of June 30, 2018
GLTC4

	Count	% of Count	Premium	% of Premium
Premium Period				
Lifetime	44,819	100.0%	68,867,547	100.0%
Total	44,819	100.0%	68,867,547	100.0%
Marital Status				
Composite	38,450	85.8%	60,121,118	87.3%
Married	4,060	9.1%	5,287,655	7.7%
Single	2,309	5.2%	3,458,774	5.0%
Total	44,819	100.0%	68,867,547	100.0%
Insured Type				
Employee	34,857	77.8%	52,780,223	76.6%
Spouse	8,615	19.2%	13,416,324	19.5%
Assoc	385	0.9%	706,604	1.0%
Other	962	2.1%	1,964,396	2.9%
Total	44,819	100.0%	68,867,547	100.0%
Underwriting Category				
Full	5,606	12.5%	9,212,338	13.4%
Guaranteed Issue (Including Core)	34,859	77.8%	52,784,176	76.6%
Simplified Issue	4,354	9.7%	6,871,033	10.0%
Total	44,819	100.0%	68,867,547	100.0%
Benefit Measure				
Daily	44,792	99.9%	68,819,850	99.9%
Monthly	27	0.1%	47,697	0.1%
Total	44,819	100.0%	68,867,547	100.0%
Cash Benefit Option				
Reimbursement	44,819	100.0%	68,867,547	100.0%
Total	44,819	100.0%	68,867,547	100.0%

Appendix E
The Prudential Insurance Company of America
Distribution of Inforce Business as of June 30, 2018
GLTC4

	Count	% of Count	Premium	% of Premium
Issue State				
AK	29	0.1%	41,898	0.1%
AL	194	0.4%	45,912	0.1%
AR	72	0.2%	103,517	0.2%
AZ	252	0.6%	282,881	0.4%
CA	2	0.0%	1,442	0.0%
CO	371	0.8%	314,576	0.5%
CT	1,439	3.2%	2,567,684	3.7%
DC	290	0.6%	524,863	0.8%
DE	6,613	14.8%	10,653,972	15.5%
FL	2	0.0%	2,278	0.0%
GA	273	0.6%	217,657	0.3%
IA	129	0.3%	159,819	0.2%
ID	91	0.2%	126,298	0.2%
IL	896	2.0%	1,308,890	1.9%
IN	354	0.8%	507,057	0.7%
KS	141	0.3%	207,450	0.3%
KY	41	0.1%	69,081	0.1%
LA	216	0.5%	278,529	0.4%
MA	3,371	7.5%	6,381,689	9.3%
MD	1,353	3.0%	2,278,225	3.3%
MI	7,910	17.6%	11,987,873	17.4%
MN	529	1.2%	693,816	1.0%
MO	710	1.6%	1,061,952	1.5%
MS	65	0.1%	103,148	0.1%
MT	52	0.1%	80,761	0.1%
NC	408	0.9%	480,116	0.7%
NE	52	0.1%	62,784	0.1%
NH	205	0.5%	448,068	0.7%
NJ	3,732	8.3%	5,601,283	8.1%
NM	72	0.2%	120,298	0.2%
NV	109	0.2%	151,103	0.2%
NY	2,608	5.8%	4,870,271	7.1%
OH	2,154	4.8%	2,853,611	4.1%
OK	146	0.3%	204,332	0.3%
OR	571	1.3%	773,102	1.1%
PA	2,548	5.7%	4,435,145	6.4%
PR	1	0.0%	492	0.0%
RI	137	0.3%	149,776	0.2%
SC	542	1.2%	664,985	1.0%
SD	7	0.0%	16,182	0.0%
TN	777	1.7%	1,180,364	1.7%
TX	438	1.0%	511,589	0.7%
UT	1,056	2.4%	918,305	1.3%
VA	2,358	5.3%	3,507,257	5.1%
VT	39	0.1%	74,978	0.1%
WA	1,428	3.2%	1,801,865	2.6%
WI	33	0.1%	37,244	0.1%
WV	3	0.0%	3,130	0.0%
Total	44,819	100.0%	68,867,547	100.0%

Appendix E
The Prudential Insurance Company of America
Pennsylvania Distribution of Inforce Business as of June 30, 2018
GLTC4

	Count	% of Count	Premium	% of Premium
Issue Year				
2009	0	0.0%	0	0.0%
2010	0	0.0%	0	0.0%
2011	0	0.0%	0	0.0%
2012	2,245	88.1%	3,959,063	89.3%
2013	300	11.8%	470,871	10.6%
2014	3	0.1%	5,210	0.1%
2015	0	0.0%	0	0.0%
2016	0	0.0%	0	0.0%
2017	0	0.0%	0	0.0%
2018	0	0.0%	0	0.0%
Total	2,548	100.0%	4,435,145	100.0%

Issue Age				
Under 30	20	0.8%	10,819	0.2%
30-34	73	2.9%	50,566	1.1%
35-39	170	6.7%	142,785	3.2%
40-44	370	14.5%	396,080	8.9%
45-49	528	20.7%	739,324	16.7%
50-54	625	24.5%	1,145,558	25.8%
55-59	505	19.8%	1,142,364	25.8%
60-64	197	7.7%	553,376	12.5%
65-69	49	1.9%	186,589	4.2%
70-74	11	0.4%	67,684	1.5%
75-79	0	0.0%	0	0.0%
80+	0	0.0%	0	0.0%
Total	2,548	100.0%	4,435,145	100.0%

Average Issue Age 49.9

Appendix E
The Prudential Insurance Company of America
Pennsylvania Distribution of Inforce Business as of June 30, 2018
GLTC4

	Count	% of Count	Premium	% of Premium
Attained Age				
Under 30	3	0.1%	1,668	0.0%
30-34	2	0.1%	1,232	0.0%
35-39	28	1.1%	16,760	0.4%
40-44	62	2.4%	40,660	0.9%
45-49	144	5.7%	125,527	2.8%
50-54	302	11.9%	334,631	7.5%
55-59	534	21.0%	752,111	17.0%
60-64	575	22.6%	974,056	22.0%
65-69	446	17.5%	927,710	20.9%
70-74	306	12.0%	752,892	17.0%
75-79	108	4.2%	326,495	7.4%
80+	38	1.5%	181,402	4.1%
Total	2,548	100.0%	4,435,145	100.0%

Average Attained Age 61.1

Gender				
Male	1,142	44.8%	2,012,546	45.4%
Female	1,406	55.2%	2,422,598	54.6%
Total	2,548	100.0%	4,435,145	100.0%

Inflation Option				
No Inflation	0	0.0%	0	0.0%
GPO	2,039	80.0%	3,362,820	75.8%
5% Simple Lifetime	500	19.6%	1,044,481	23.6%
5% Compound Lifetime	9	0.4%	27,844	0.6%
Total	2,548	100.0%	4,435,145	100.0%

Elimination Period				
30 Day	0	0.0%	0	0.0%
60 Day	0	0.0%	0	0.0%
90 Day	2,548	100.0%	4,435,145	100.0%
Total	2,548	100.0%	4,435,145	100.0%

Benefit Period				
2 Years	0	0.0%	0	0.0%
3 Years	898	35.2%	1,300,587	29.3%
5 Years	1,643	64.5%	3,109,465	70.1%
7 Years	0	0.0%	0	0.0%
10 Years	7	0.3%	25,093	0.6%
Lifetime	0	0.0%	0	0.0%
Total	2,548	100.0%	4,435,145	100.0%

Appendix E
The Prudential Insurance Company of America
Pennsylvania Distribution of Inforce Business as of June 30, 2018
GLTC4

	Count	% of Count	Premium	% of Premium
Premium Period				
Lifetime	2,548	100.0%	4,435,145	100.0%
Total	2,548	100.0%	4,435,145	100.0%

Marital Status				
Composite	2,548	100.0%	4,435,145	100.0%
Married	0	0.0%	0	0.0%
Single	0	0.0%	0	0.0%
Total	2,548	100.0%	4,435,145	100.0%

Insured Type				
Employee	1,974	77.5%	3,417,716	77.1%
Spouse	540	21.2%	919,531	20.7%
Assoc	0	0.0%	0	0.0%
Other	34	1.3%	97,898	2.2%
Total	2,548	100.0%	4,435,145	100.0%

Underwriting Category				
Full	167	6.6%	324,132	7.3%
Guaranteed Issue (Including Core)	1,974	77.5%	3,417,716	77.1%
Simplified Issue	407	16.0%	693,296	15.6%
Total	2,548	100.0%	4,435,145	100.0%

Benefit Measure				
Daily	2,548	100.0%	4,435,145	100.0%
Monthly	0	0.0%	0	0.0%
Total	2,548	100.0%	4,435,145	100.0%

Cash Benefit Option				
Reimbursement	2,548	100.0%	4,435,145	100.0%
Total	2,548	100.0%	4,435,145	100.0%

Appendix C

The Prudential Insurance Company of America

Description of Experience Analysis and Assumption Setting

Mortality Study

The total mortality rate assumptions are can be broken into in three distinct parts: (1) a base rate industry mortality table, (2) selection factors created to adjust the table based on Prudential experience, and (3) a mortality improvement factor. The best estimate assumption is applied at the policy level. The industry table rates are attained age and male/female based. The Prudential experience based selection factors vary by issue age, gender and duration of the policy. The improvement assumption varies by calendar year. The selection factor assumptions are developed separately for individual and group products, but base rate table and improvement factors are the same for both products.

The 2Q 18 best estimate mortality assumption was developed using the most recent 5 years of data and a 95% confidence interval test based on the 2017 Best Estimate assumptions as the expected. The assumption was changed if it falls outside the 95% CI. The test was performed at the product and gender level. The selection factors grade to 105% at duration 30 and later consistent with 2Q 17 best estimate assumptions.

Mortality improvement is a factor that is applied to the mortality rate that has been adjusted by selection factors. It is intended to reflect the notion that the probability of death for a given age will decrease over time, as the population as a whole is living longer, indicating an improvement in mortality. The rate will level out after 20 years into the projection.

Prudential's experience study was performed using mortality data from 7/1/2012 – 6/30/2017, with deaths reported through 9/30/2017. This year we used Measure, a Polysystems software, to perform the analysis. This allowed us to use more recent data in our study.

The future expected mortality assumptions were developed based on this historical actual experience and judgment. Based on our analysis, the 2012 IAM Basic Table on an ALB basis matched actual experience the closest, with some adjustments, i.e. ultimate selection factors. Mortality selection factors were developed by issue age, gender, duration, and product type to best match our actual experience using the mortality table as a base.

Voluntary Lapse Study

A voluntary lapse study was also conducted on the Company's actual experience using data through September 30, 2017. Voluntary lapse rates were calculated based on actual lapses using experience in years 7/1/2014 – 6/30/2017 with lapses reported through 9/30/2017. Similar to

mortality, this year we performed the analysis in house. This allowed us to use more recent data in our study. Voluntary lapses are studied using actual terminations. The impact of shock lapses that occur due to rate increases were removed from the voluntary lapse study to ensure that the lapse experience was not overstated. The future expected voluntary lapse assumptions were developed based on the historical actual experience and judgment. The expected lapse rates vary by policy duration, attained age and select business segments.

Morbidity Study

The morbidity experience on disabled lives (i.e., in claim status) is of critical importance, as it also plays a crucial role in shaping our base morbidity experience on active lives as well as informing our judgment on morbidity improvement. Morbidity is comprised of several assumptions, including utilization, fitting factors, claim cost guidelines, and cost of care inflation.

For 2Q 2018, the experience data analysis was brought in house, and a deep dive on our disabled life assumptions was performed. For the disabled lives analysis, more granularity has been included for site of care where it now matches the granularity of the active life reserves. Additionally, the analysis has led to the conclusion that there are significant differences in utilization by claim duration. We refined the claim continuance assumptions by claim duration and updated the termination rates by site of care and key benefit plans. We performed an iterative analysis of a claim retrospective test by the different drivers of morbidity and along different slices of the business (active, inactive pending, IBNR/CBER) along with the experience-based study of terminations. In the end we created a curve using actuarial judgment that fit well to our experience and produced a better fit to our retrospective tests.

The morbidity study used for active lives modeling was conducted on the Company's nationwide actual experience on incurred claims through Dec 31, 2017 with claims run out through Dec 31, 2017. The approach used to develop best estimate morbidity assumptions was to start with a set of baseline expected claims and review the experience along several key demographic and benefit characteristics. The primary focus was to develop fitting factors was to match historical incurred claims to expected incurred claims.

A claim is based on Prudential's data using the data field "Date First Eligible" (DFE). Each unique DFE is used to identify a claim. Actual claim incidence is determined by counting each claim. Paid claims are discounted (using an interest rate of 5.5% in the appendices) back to the claim incurred date. The claim reserves are discounted from valuation date to the claim incurred date using a 5.5% discount rate. Both paid claims and claim reserves have a 4.5% load applied to reflect waiver of premium. The claim reserves do not include an LAE load or an explicit margin. Actual incurred claims are calculated by adding together the present value of paid claims and claim reserves (including IBNR). Actual average claim severity is calculated by dividing actual incurred claims by the count of claims. In the morbidity study, waiver of premium is

excluded from both the actual claims and expected claims.

The baseline expected incurred claims were developed from Milliman's 2014 LTC Guidelines (*Guidelines*). Given the large size of the data supporting the *Guidelines*, it was viewed as a credible starting point for the analysis. Also, a composite factor was developed for the business based on the distribution by state and the area adjustment factors from the *Guidelines*. The best estimate assumptions do not include an assumption for morbidity improvement.

The process of developing fitting factors, starting with the baseline expected, generally followed the following steps:

- Review experience by issue year and product to determine if the baseline selection factors used are appropriate
- Review experience by issue age, gender, marital status and / or underwriting type
- Review experience by key benefit and demographic characteristics

It should be noted that many of the factors are related to each other. The fitting factors are Prudential adjustments to the 2014 Milliman Cost of Care Guidelines. The guidelines are a set of claim costs based on Milliman's slice of industry wide LTC insurance claims of \$25 Billion. The guidelines include base assumptions, but they are customized to a given company based on characteristics such as underwriting and product design.

The Prudential Insurance Company of America
Appendix C - Exhibit 1
Mortality Study
Experience by Policy Duration
GLTC

Duration	Actual Exposures	Actual Mortality	Current Best Estimate	Actual/Best Estimate
1-5	191,762	439	467	94%
6-10	215,958	832	856	97%
11-15	188,890	1,260	1,256	100%
16-20	81,906	858	855	100%
21-25	104,964	1,743	1,778	98%
26+	35,294	868	860	101%
Total	818,773	6,000	6,071	99%

Notes:

- 1) Prudential's experience study was performed using mortality data from 7/1/2012 – 6/30/2017, with deaths reported through 9/30/2017.
- 2) Expected Mortality Rate uses 2012 IAM Basic Mortality Table, with mortality selection factors, and 1% improvement per year through 2038.

The Prudential Insurance Company of America
Appendix C - Exhibit 2
Lapse Study
Experience by Policy Duration
GLTC

Duration	Actual Exposures	Number of Lapses	Number of Expected Lapses	Actual Lapse Rate	Expected Lapse Rate	Actual/Best Estimate
1	764	36	63	4.7%	8.2%	58%
2	4,984	241	284	4.8%	5.7%	85%
3	18,280	876	876	4.8%	4.8%	100%
4	24,065	580	505	2.4%	2.1%	115%
5	23,545	500	494	2.1%	2.1%	101%
6	18,039	325	379	1.8%	2.1%	86%
7	16,762	367	352	2.2%	2.1%	104%
8	15,927	270	334	1.7%	2.1%	81%
9	17,359	357	347	2.1%	2.0%	103%
10	17,737	267	266	1.5%	1.5%	100%
11	19,496	334	292	1.7%	1.5%	114%
12+	175,386	1,170	1,182	0.7%	0.7%	99%
Grand Total	352,342	5,323	5,376	1.5%	1.5%	99%

Notes:

- 1) Actual lapse rates using July 2014 - June 2017 data were observed.
- 2) Shock lapses have been removed from both actual and expected values.
- 3) Expected Lapse Rate is the assumption used in the current projection assumption.

The Prudential Insurance Company of America
Appendix C - Exhibit 3
Claim Study
Experience by Calendar Year
GLTC

Incurred Yr	Actual Paid Claims (in \$MM)	DLR Reserve (in \$MM)	Actual Incurred Claims (in \$MM)	Expected Incurred Claims (in \$MM)	Actual to Expected
<=2005	37.58	1.08	38.65	35.51	109%
2006	6.78	0.29	7.07	7.67	92%
2007	10.46	0.73	11.20	9.51	118%
2008	11.43	0.77	12.20	14.38	85%
2009	18.34	1.68	20.02	22.67	88%
2010	24.26	3.23	27.50	29.29	94%
2011	27.98	4.04	32.02	36.13	89%
2012	32.64	6.92	39.56	41.41	96%
2013	34.74	9.69	44.43	47.55	93%
2014	35.63	20.91	56.54	53.24	106%
2015	35.07	30.98	66.05	59.10	112%
2016	24.42	41.21	65.63	64.46	102%
2017	11.80	63.67	75.47	70.78	107%
2018	0.38	36.56	36.94	39.21	94%
Grand Total	311.52	221.76	533.28	530.92	100%

Notes:

- 1) Experience is through June 30, 2018.
- 2) Paid claims represent the present value of paid claims discounted to the claim incurred date.
- 3) Reserve amounts represent the present value of the remaining claim reserve (including IBNR) discounted to the claim incurred date.
- 4) Expected Claims is based on Milliman's 2014 LTC Guidelines with 2018 Prudential experience fitting factors.
- 5) Claim dollar amounts are discounted using a 5.5% interest rate (both actual and expected).
- 6) This exhibit excludes waiver of premium and return of premium benefits in both actual and expected results.
- 7) Morbidity improvement has been removed from the Expected Incurred Claims.

The Prudential Insurance Company of America
As Administered by CHCS
Long-Term Care Customer Service Center
P.O. Box 8526
Philadelphia, PA, 19176-8526
Tel: 1-800-732-0416 Fax: 877-773-9515

[DATE]

[FIRST NAME LAST NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]
[CITY, STATE ZIP CODE]

Re: Long Term Care Insurance - **Notice of Premium Increase**
Group Name: [NAME OF GROUP CUSTOMER]
Certificate Number: [XXXXXXXXXX]

Dear [MR/MS LAST NAME]:

We are writing to inform you that we are increasing the premium for the above-referenced long term care insurance coverage by [XX%]. The new [monthly, quarterly, semiannual, annual] premium payment will change from [\$XXXX.XX] to [\$YYYY.YY]. This increase will take effect on [MM/DD/YYYY]. ¹[**IF STATE APPROVED INCREASES OVER MULTIPLE YEARS:** We are writing to inform you that we are increasing the premium for the above-referenced long term care insurance policy in multiple stages. The initial premium increase for your policy is [XX%]. Your [monthly, quarterly, semiannual, annual] premium payment will change from [\$XXXX.XX] to [\$XXXX.XX]. This increase will take effect on [MM/DD/YYYY]. A subsequent rate increase for your policy will be [XX%]. This will take effect no earlier than one year from the current rate increase effective date. Another subsequent rate increase for your policy will be [XX%]. This will take effect no earlier than two years from the current rate increase effective date.¹]

We have filed this premium rate increase with state insurance regulators and are implementing this premium rate increase in accordance with the terms and conditions of your coverage and applicable laws. We have also notified the Group Contract Holder through which this coverage was purchased. Please read this letter carefully and in its entirety. Please also refer to the enclosed document titled *Frequently Asked Questions*, which provides more information about this premium rate increase. If you have other questions or concerns after reviewing this letter, **please call our Long Term Care Customer Service Center at 800-732-0416, Monday through Friday, 8 a.m. to 7 p.m. Eastern time.**

[**IF DIRECT BILL:** You will see this change reflected in the statement preceding the effective date of the increased premium rate.] [**IF EFT:** Since you pay premium via electronic funds transfer ("EFT"), we will deduct the increased premium amount from your bank account beginning with the first premium due after the rate increase effective date.] [**IF PAYROLL DEDUCTION:** Since you pay premium through your employer, please be aware the amount deducted will be adjusted to reflect the increase in premium.]

¹ The premium amounts cited in this letter do not reflect any benefit changes that may already be pending at this time or elect in the future. Your actual premium may be different due to rounding.

[IF AT MINIMUM: Because your benefits are already at the lowest level we offer, we are unable to offer you the option of reducing your coverage in order to offset the amount of your premium increase.]

[IF NOT AT MINIMUM: If you decide to pay your premium at the increased rate listed above, your coverage will remain the same. In the alternative, we have set forth a number of options below that will allow you to reduce the amount your premium increases by electing to reduce the amount of coverage you have. We urge you to consider each of these options carefully.]

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Personalized Options to Reduce the Impact of the Premium Rate Increase

- You may reduce your current Facility Daily Benefit. Please note all other benefits are calculated as a percentage or a factor of this Facility Daily Benefit amount; therefore, a reduction to the Facility Daily Benefit will reduce all your other benefits accordingly. This means the maximum benefit you could receive under the coverage for each day you receive benefits will be reduced to the amount stated below. This change would moderate the impact of the increase in premium.²

Please note that by reducing your Facility Daily Benefit, you will also be reducing the total dollar amount of benefits payable under your coverage (Lifetime Maximum Benefit), since the Lifetime Maximum Benefit is calculated by multiplying the Facility Daily Benefit by the number of days the coverage was intended to last, unless your coverage has an unlimited Lifetime Maximum Benefit. For example, \$100 Facility Daily Benefit x 5 year plan x 365 days = \$182,500. Reducing the Facility Daily Benefit to \$80 = \$80 x 5 years x 365 days = \$146,000.

Before making any decision to reduce your Facility Daily Benefit, please consider the current and future cost of care in the geographic area where you anticipate receiving care, and the amount you expect to be able to pay for care from your own assets and savings.

- You may reduce your Lifetime Maximum Benefit amount by changing the number of years used to calculate such benefits. This means your Lifetime Maximum Benefit shown in a dollar amount will be recalculated to a lower dollar amount. This change may help to minimize the impact of the increase in premium.
- You may reduce **both** your current Facility Daily Benefit **and** your Lifetime Maximum Benefit. This combination of changes may help to minimize the impact of the increase in premium.

PERSONALIZED OPTIONS				
	Facility Daily Benefit ²	Lifetime Maximum Benefit ³	Current Premium	New Premium
Keep your Current Coverage	\$XXX	X-Year	\$XXX	\$XXX ¹
Reduce your FDB	\$XXX	X-Year		\$XXX ¹
Reduce your LMB	\$XXX	Y-Year		\$XXX ¹
Reduce your FDB & LMB	\$XXX	Z-Year		\$XXX ¹

The benefit reduction options offered above are examples of what you can do to help offset the premium rate increases, in part or whole. ³**[IF STATE APPROVED INCREASES OVER MULTIPLE YEARS AND NOT THE LAST INCREASE IN A MULTIPLE YEAR IMPLEMENTATION:** We will continue to extend benefit reduction options to you prior to each scheduled increase. There may be additional options available to you, including options that may help to offset the scheduled

¹ The premium amounts cited in this letter do not reflect any benefit changes that may already be pending at this time or elect in the future. Your actual premium may be different due to rounding.

² The Facility Daily Benefit amounts are subject to any applicable state and/or partnership regulatory minimum benefit requirements. The Facility Daily Benefit (FDB) is the most the coverage will reimburse for the costs of covered long-term care services received on any day.

³ Lifetime Maximum Benefit (LMB) represents the total pool of money available to reimburse the costs of covered long term care services you receive while insured, and is calculated by multiplying your FDB by the number of years in days.

multi-year premium increases shown above.] Our dedicated Long Term Care Customer Service Center staff will be able to provide you with information about the complete range of options available to you. Please note that your premium resulting from any of these benefit changes will still be subject to the future scheduled premium increases. If you would like to elect an option to reduce the impact of the premium rate increase, please complete the attached *Long Term Care Insurance Change Request Form* and return it to the address noted on the form **within 30 days of the date of this letter**. This will help to ensure any coverage changes take effect on or prior to the effective date of the premium rate increase. You will be provided with a new Confirmation Statement if you elect to modify your coverage in any way. If you wish to explore other options to reduce the impact of this premium rate increase, please call us at **800-732-0416, Monday through Friday, 8 a.m. to 7 p.m. Eastern time**, so we can review with you other options that might be available and the premium associated with those options.

[IF NFO: As an alternative to the options described above, you may exercise a right under the non-forfeiture benefit of your coverage to change your coverage to paid-up status. If you elect this option, no further premium payments will be due, and your Benefit Waiting/Elimination Period and Facility Daily Benefit will remain the same, but your Lifetime Maximum Benefit will be reduced. All riders attached to your policy will also terminate. If you wish to consider this option and would like to know the amount of your reduced Lifetime Maximum Benefit, please contact our Long Term Care Customer Service Center at **800-732-0416, Monday through Friday, 8 a.m. to 7 p.m. Eastern time**. You can elect this option by checking the appropriate box on the enclosed *Long Term Care Insurance Change Request Form*. If you do not submit a *Long Term Care Insurance Change Request Form* or contact our Long Term Care Customer Service Center and coverage lapses because you do not pay the full increased premium, your coverage will automatically be converted to paid-up status with reduced benefits. If you convert to this status, the amount of your reduced benefits can be provided to you in writing.]

Or, NFO is not an option,

[IF CNFO: As an alternative to the options described above, you may exercise a contingent non-forfeiture right to change your coverage to paid-up status. If you elect this option, no further premium payments will be due, and your Benefit Waiting/Elimination Period and Facility Daily Benefit will remain the same, but your Lifetime Maximum Benefit will be reduced. All riders attached to your policy will also terminate. If you wish to consider this option and would like to know the amount of your reduced Lifetime Maximum Benefit, please contact our Long Term Care Customer Service Center at **800-732-0416, Monday through Friday, 8 a.m. to 7 p.m. Eastern time**. You can elect this option within 120 days of the implementation of the premium increase by checking the appropriate box on the enclosed *Long Term Care Insurance Change Request Form*. If you do not submit a *Long Term Care Insurance Change Request Form* or contact our Long Term Care Customer Service Center and coverage lapses because you do not pay the full increased premium, your coverage will automatically be converted to paid-up status with reduced benefits. If you convert to this status, the amount of your reduced benefits can be provided to you in writing.]

We understand this premium increase impacts you financially, but we hope you will continue to appreciate the value of your long term care insurance coverage. The increase impacts a broad group of long term care insurance customers like you and is not based on any individual's personal factors, such as health status or claim history. We determined that a premium rate increase was necessary after thoroughly evaluating the factors that impact premium rates, including assumptions we make about the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will lapse their coverage over the life of the coverage and prevailing interest rates. After conducting an extensive review of our actual experience concerning each of these factors, we determined that a premium increase is necessary to continue to provide the quality insurance coverage you have come to expect.

[IF ADDITIONAL INCREASE IS *CERTAIN*: We anticipate one or more additional premium increase(s) will be necessary in the future, but we do not presently know the date(s) or amount of any future increase(s).]

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[IF ADDITIONAL INCREASE IS POSSIBLE: It is possible, as we continue to regularly review the factors that impact premium rates, that one or more increase(s) may be needed in the future.]

In the event [a] future increase(s) becomes necessary, you will receive advance notification of the effective date of any such increase(s). We will continue to monitor the factors that impact premiums to determine if our current assumptions are consistent with actual experience.

Next Steps

If you elect to maintain your current benefit levels and pay the increased premium, you do not need to take any action at this time. Simply pay the increased premium when due.

If you would like to elect an option to reduce the impact of the premium rate increase, please complete the attached *Long Term Care Insurance Change Request Form* and either mail it to the address or fax it to the phone number that are noted on the form **within 30 days of the date of this letter**.

If you do not elect a benefit reduction option or inform us of your intent to terminate coverage within 30 days of the date of this letter, we will assume you wish to maintain your current benefit levels at the increased premium rate.

If you have questions or concerns after reviewing this letter, **please call our Long Term Care Customer Service Center at 800-732-0416, Monday through Friday, 8 a.m. to 7 p.m. Eastern time**. We have a dedicated team ready to assist you, Monday through Friday. We appreciate having you as a customer and we look forward to continuing to serve you.

Sincerely,

Prudential Long Term Care Insurance Customer Service Center

The Prudential Insurance Company of America
As Administered by CHCS
Long-Term Care Customer Service Center
P.O. Box 8526
Philadelphia, PA, 19176-8526
Tel: 1-800-732-0416 Fax: 877-773-9515

Group Name: [NAME OF GROUP CLIENT]

Certificate Number: [XXXXXXXXXXXX]

Insured: [FIRST NAME LAST NAME]

[DATE]

LONG TERM CARE INSURANCE CHANGE REQUEST FORM

Dear Impacted Insured:

This form may be used to make changes to your Long Term Care insurance coverage to reduce the impact of your premium increase. Before making any changes, we strongly encourage you to review your certificate of insurance and to call our Long Term Care Customer Service Center at **800-732-0416, Monday through Friday, 8 a.m. to 7 p.m. Eastern time**, to discuss the complete range of options available to you, including how your selection of each option will affect (1) the amount of premium you will be required to pay, and (2) your coverage.

Please indicate your change(s) by checking and completing the options below. Sign and return this form within 30 days of the date above. This will help to ensure any coverage changes take effect on or prior to the effective date of the increase.

NOTE: If you check more than one option, you should call us for the actual premium amounts since those shown here and in the letter included with this form will change.

- ☐ **Decrease my Facility Daily Benefit** from [\$XXX] to [\$YYY] (my corresponding *inflated* Facility Daily Benefit would decrease from [\$XXX] to [\$YYY]). I understand all other benefits calculated as a percentage or a factor of this Facility Daily Benefit amount will also be reduced accordingly.
- ☐ **Decrease my Lifetime Maximum Benefit** amount by changing the number of years used to calculate such benefits from [X years][unlimited] to [Z] years.
- ☐ **[Decrease my Facility Daily Benefit** from [\$XXX] to [\$YYY] (my corresponding *inflated* Facility Daily Benefit would decrease from [\$XXX] to [\$YYY] **AND** decrease my Lifetime Maximum Benefit amount by changing the number of years used to calculate such benefits from [X years][unlimited] to [Z] years. I understand all other benefits calculated as a percentage or a factor of this Facility Daily Benefit amount will also be reduced accordingly.
- ☐ **[IF NFO: I wish to exercise the non-forfeiture option.** I understand by doing so, no further premium payments will be due and my Benefit Waiting/Elimination Period and Facility Daily Benefit will remain the same, but my Lifetime Maximum Benefit will be reduced, and I will not be eligible for any additional inflation protection increases because my coverage will be on paid-up status. I understand if I elect this option, I cannot elect any of the other options shown on this form.]

- ☐ **[IF CNFO:** I wish to **exercise the contingent non-forfeiture option**. I understand I can only make this election within the 120 day period following the due date of my increased premium, and I must continue paying premium up until that due date. I further understand by making this election, no further premium payments will be due and my Benefit Waiting/Elimination Period and Facility Daily Benefit will remain the same, but my Lifetime Maximum Benefit will be reduced, and I will not be eligible for any additional inflation protection increases because my coverage will be on paid-up status. I understand if I elect this option, I cannot elect any of the other options shown on this form.]
- ☐ I wish to do the following: I understand someone from the Long Term Care Customer Service Center may call me to clarify my wishes or explain if the change requested can be made. Please fill in this section **ONLY** if you have already contacted the Long Term Care Customer Service Center to explore alternative options and the associated cost.

IF YOUR EXISTING COVERAGE QUALIFIES AS A PARTNERSHIP ELIGIBLE POLICY, PLEASE NOTE. Whether your coverage qualifies for Partnership depends in part on your age and the type of inflation protection you select and maintain.

I understand that a reduction to my inflation protection coverage may affect whether my coverage continues to be a Partnership eligible. I understand that to retain my Partnership qualification status, I need to maintain the level of inflation protection in effect.

I understand the coverage change(s) I have selected above will reduce my current benefits, depending upon the option(s) selected in exchange for a corresponding reduction in the premium that I will be required to pay when the impending premium rate increase takes effect. I acknowledge Prudential has made the Long Term Care Customer Service Center available for me to discuss these option(s). I affirm these selection(s) are made voluntarily and I am under no obligation to make them. I understand that I may consult with accounting, financial planning, tax and other professional advisors before making any change(s) to my coverage. I acknowledge that Prudential encourages me to do so to ensure that any change(s) I make to my coverage best suit my individual financial and insurance needs. I agree any change(s) will become effective on the date set by The Prudential Insurance Company of America upon receipt of this request.

Signature of Insured for Certificate Number:
[XXXXXXXXXXXX]

Date Signed

Please complete and return by mail or facsimile to:

The Prudential Insurance Company of America
As Administered by CHCS
Long Term Care Customer Service Center
P.O. Box 8526
Philadelphia, PA 19176-8526
Fax: 877-773-9515

All requested changes to your benefits must be in writing and cannot be processed over the phone.

Frequently Asked Questions

Question: Why are you raising long term care insurance premium rates?

Answer: We monitor in-force contracts like yours to make sure we will be able to meet our future claim obligations. The premiums we charge are influenced by a number of factors, including assumptions we make about the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will lapse their coverage over the life of the policy and prevailing interest rate levels. We used the best available information to establish the original premium rates, but our actual experience has been materially different compared to our original assumptions. Our review of the actual experience has resulted in changes to the assumptions we use to project future experience and the premium necessary to keep pace with that expected future experience. Unfortunately, the experience trends we, as well as the long term care insurance industry generally are seeing necessitates that we raise premium rates.

Question: What allows you to raise premiums on these policies?

Answer: The certificate of insurance we issued to you describes our right to increase the premium we charge for the insurance. Generally, this language can be found in both the “Renewability” and “Increases in Premiums” provisions.

Question: Will you raise premiums on these policies again?

Answer: **[IF ADDITIONAL INCREASE IS CERTAIN:** We anticipate one or more additional premium increase(s) will be necessary in the future, but we do not presently know the date(s) or amount of any future increase(s).]

[IF ADDITIONAL INCREASE IS POSSIBLE: It is possible, as we continue to regularly review the factors that impact premium rates, that one or more increase(s) may be needed in the future.]

In the event [a] future increase(s) becomes necessary, you will receive advance notification of the effective date of any such increase(s). We will continue to monitor the factors that impact premiums to determine if our current assumptions are consistent with actual experience.

Question: When will this premium increase become effective?

Answer: That date is set forth in the letter to which this Frequently Asked Questions form was attached.

Question: What options do I have to moderate the impact of the premium increase?

Answer: You may keep the coverage you have with all of its current features by paying the increased premium rate. Alternatively, we have included benefit reduction options with this letter to help moderate the impact of the premium increase. If you would like to elect one of these options to reduce or eliminate the impact of the premium increase, please review, complete and return the enclosed *Long Term Care Insurance Change Request Form*. The Long Term Care Customer Service Center is available to discuss other available options to help reduce your premium. They can be reached at **800-732-0416, Monday through Friday, 8 a.m. to 7 p.m. Eastern time.**

Will the rate increase be effective for everyone in my group at the same time?

No. Impacted insureds have different premium due dates and were issued coverage in different states. The increase cannot be implemented until Prudential receives necessary state approval or authorization and establishes an implementation date. The increase will be staggered in accordance with when regulatory approvals and authorizations are obtained.

Will everyone's premium be increased by the same amount?

Not necessarily. Since Prudential must receive necessary state approval or authorization prior to implementing the increase, it is possible not every state will approve or authorize the same percentage increase. It is also

possible some states may deny Prudential's request for an increase, or require it be reduced or spread over multiple years.

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